

**BEFORE THE FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Lifeline and Link Up Reform and
Modernization

WC Docket No. 11-42

Lifeline and Link Up

WC Docket No. 03-109

Federal-State Joint Board on Universal
Service

CC Docket No. 96-45

Advancing Broadband Availability
Through Digital Literacy Training

WC Docket No. 12-23

**PETITION AND CERTIFICATION OF THE
PUBLIC UTILITY COMMISSION OF OREGON
TO OPT-OUT OF THE NATIONAL LIFELINE DATABASE**

November 30, 2012

I. INTRODUCTION

As the state Lifeline administrator, the Public Utility Commission of Oregon (“OPUC”) respectfully requests that the Federal Communications Commission (“FCC”) authorize it to opt-out of the National Lifeline Accountability Database (“National Database”) established in the *Lifeline Reform Order*.¹ On October 11, 2012, the Wireline Competition Bureau released a *Public Notice*, DA 12-1624, clarifying the minimum requirements for states seeking to opt out of the National Database. The OPUC demonstrates herein that its Lifeline program meets the requirements specified in the *Public Notice* and the *Lifeline Reform Order* and that it has in place a comprehensive system to ensure against duplicative Lifeline support.

II. OVERVIEW OF OREGON PROCESS AND OBLIGATIONS OF ELIGIBLE TELECOMMUNICATIONS CARRIERS (“ETCs”) TO COMPLY WITH THE STATE SYSTEM

The OPUC has a vested interest in ensuring that duplicate benefits do not occur because it provides \$3.50 of support to each eligible Lifeline subscriber to supplement the support provided by the federal universal service fund to the ETC. The OPUC staff performs many of the duties related to processing and approval (or rejection) of Lifeline applications and relies on a system named BIZAPPS to check for duplicative Lifeline support. ETCs have obligations as well. The following briefly describes the application and approval process and the roles of each party.

¹ See *Lifeline and Link Up Reform and Modernization et al.*, WC Dkt. Nos. 11-42 *et al.*, CC Dkt. No. 96-45, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012).

The OPUC-specific Lifeline applications are available to customers by mail, fax, electronic mail or online. Customers must submit to the OPUC a completed application for Lifeline benefits and the OPUC staff must certify each applicant's initial eligibility. The OPUC staff analyzes customer applications, populates or uploads them into BIZAPPS and accesses the customer's record in the Department of Human Services ("DHS") database to review and determine if the applicant meets eligibility requirements for Lifeline benefits. The OPUC staff reviews these computerized records to ensure consistency and accuracy of information on the application.

When a customer's initial eligibility is certified, the OPUC staff approves (or rejects) the application in BIZAPPS, which automatically generates an approval (or rejection) letter to be mailed to a customer. A report of all Lifeline customers approved by the OPUC staff for the week is generated by the OPUC's Information Systems department and electronically sent to the respective ETC to apply or issue the Lifeline benefit to the eligible customer the following week. The approval report lists the customer's first and last name, address, phone number, if available, effective approval date, which is the date the OPUC received the application, and a BIZAPPS assigned identification number in lieu of the customer's social security number.

Each quarter, the OPUC verifies all customers' eligibility for the Lifeline benefit using a secure automated electronic data interface with the DHS database to automatically identify customers who are no longer receiving the benefits that render them eligible for the Lifeline benefit. Upon completion of the electronic data

interface, the OPUC database automatically generates letters that are mailed to customers notifying them of their impending loss of Lifeline benefits. The form explains to the customer that the OPUC will instruct their ETC to discontinue or remove the Lifeline benefit from their account or service the following month via an electronic report. The customer can avoid the termination of their Lifeline benefits if they contact the OPUC and the OPUC staff is able to confirm via their DHS file that they are once again receiving the benefits that qualify them for the Lifeline benefit.

Finally, ETCs are required to submit monthly or quarterly reports, pursuant to Oregon Administrative Rule 860-033-0046 to the OPUC so that the information in BizApps is current and maintained to prevent potential duplicates.

III. FUNCTIONALITIES OF THE OPUC SYSTEM - SPECIFIC REQUIREMENTS

BIZAPPS is an OPUC-developed business application system that tracks and contains the following for the management of Lifeline customer records:

- Customer First, Middle and Last Name
- Social Security Number
- Customer's Native Language (e.g. Spanish, Russian, etc.) for correspondence
- Phone Number
- Date of Birth
- Mailing and/or Residential Address
- E-mail Address
- Customer's ETC
- Eligible Criteria
- Application Type (e.g. online, etc.)
- Effective Approval Date
- Customer Correspondence Documentation (e.g. generated letters, phone call summary, etc.)

BIZAPPS encompasses information from all ETCs operating in Oregon and all their Lifeline subscribers.

Each opt-out requirement specified in the *Public Notice* is enumerated and bolded below, with the OPUC's explanation as to how it satisfies the requirement immediately following.

- 1. The system on which the opt-out request is based must be able to facilitate a process to scrub individual and household duplicates from ETCs subscriber rolls. The state system must be sufficiently capable of handling whatever functions, if any, are necessary to implement the scrubbing process. The state should file any data in its possession regarding the individual and/or household duplicate rate in its state to demonstrate that the process in the state has, in fact, successfully scrubbed individual and household duplicates from ETCs' subscriber rolls.**

The need for a duplicate scrubbing process within the state database or ETC subscriber rolls is minimized through the OPUC staff examination and comparison of information in initial Lifeline applications with existing Lifeline customer information. This process is described in #2 below.

Prior to the introduction of free Lifeline services in the state, the duplicate screening process prevented twenty-five (25) to fifty (50) applications per quarter that would have resulted in duplicates if approved. Since the advent of free Lifeline services in Oregon in July 2012, the same

process identified 19% of applications as potential duplicates for one of the ETCs offering free Lifeline services. That number is projected to increase as additional ETCs launch their respective free Lifeline services in Oregon

The OPUC has the capability to run reports to identify potential duplicates in the database at any time. After having standardized the addresses of all customer records in BIZAPPS pursuant to the specifications set forth by the United States Postal Service ("USPS"), the OPUC Information Systems department generated a report that listed duplicates. The OPUC staff is currently reviewing and scrubbing individual and household duplicates. Thus far, the OPUC staff has identified a majority of subscribers are living together as separate economic units based on the evidence presented in their DHS database.

- 2. The system on which the opt-out request is based must be able to prevent ETCs from signing up individuals or households which are already receiving a Lifeline benefit. This includes a means for ETCs and/or other authorized users (e.g. state Administrators) to query the system prior to enrolling the subscriber to determine if the subscriber or anyone in the subscriber's household is already receiving duplicate support.**

First and foremost, an ETC is not authorized to enroll an Oregon subscriber or claim an applicant as its own Lifeline-eligible customer until

the OPUC has verified that the customer is indeed eligible and meets all requirements, including the one per household limitation. The check for duplicate support is not performed by the ETC, but is performed by the OPUC staff and the results are communicated to the ETCs and applicants.

Generally, when an applicant submits an OPUC-specific Lifeline application via mail, fax or online, the OPUC staff analyzes and reviews the application and conducts a search in BIZAPPS via several parameters (e.g. social security number, first and last name, address, etc.) to identify potential individual and household duplicates.

Individual duplicates are largely prevented through the comparison of social security numbers. The OPUC requires a social security number on the Lifeline application in order to access in real-time the applicant's file in the DHS database to certify their initial eligibility for Lifeline benefits.

The OPUC recently implemented and executed an address standardizations and verification solution in BIZAPPS for all existing Lifeline customer records pursuant to specifications set forth by the USPS. The WebSmart Web Service feature from Melissa Data includes validation, verification and correction of residential addresses in the United States.

After an OPUC staff member populates and saves an applicant's address in a BIZAPPS record, the system immediately alerts the OPUC staff member via a "pop-up" message that there is another existing record with the same residential address. This system notification prompts the

OPUC staff to investigate further for the appropriate corresponding action and resolution. For instance, the OPUC staff reviews both the applicant and existing customer's record in the DHS database to ascertain whether they are living together as part of the same household under separate economic units. If the DHS file confirms that these individuals are living together in a household at the same address as distinct economic units, the OPUC staff approves the applicant provided that they satisfy all other eligible criteria, and flags both customers' records to denote the separate economic units at the same address or household. Otherwise, the OPUC staff will issue the Universal Service Administrative Company ("USAC") Lifeline Household Worksheet² to the prospective applicant.

- 3. The system on which the opt-out request is based must have a means of standardizing and verifying addresses submitted to the system. The system and any related processes must also be able to accommodate non-traditional addresses, such as addresses on Tribal lands not recognized by the U.S. Postal Service.**

The BIZAPPS system accommodates both standard and non-traditional addresses, such as addresses for Tribal lands not recognized by the United States Postal Service ("USPS"). The OPUC contracts with Melissa Data for real-time address verification services for direct mail and

² See http://www.usac.org/_res/documents/li/doc/Lifeline-household-worksheet.docx (last visited November 28, 2012).

delivery operations in accordance with postal standards and address formats.

- 4. The system on which the opt-out request is based must have a means of verifying a subscriber's identity at the time a system query is made. In response to the query, the system must indicate whether the subscriber's identity can be verified, and if not, provide error codes to indicate why they could not be verified.**

When the OPUC receives a Lifeline application, the OPUC staff accesses the customer's file in the DHS database to certify their initial eligibility and to verify their identity. The OPUC staff compares information, including the applicant's name, social security number, date of birth, etc. in the customer's computerized records in the DHS database with that on the application to identify differences that may raise issues about the applicant's identity and eligibility.

In accordance with the *Waiver Order*, DA 12-863A1, the OPUC, through an Oregon Administrative Rulemaking, will require applicants who qualify for Lifeline on the basis of income, National School Lunch Free Lunch Program, Low Income Home Energy Assistance Program, or Federal Public Housing Assistance or whose identity cannot be confirmed via the DHS database, to provide documentation that validates their identity, including but not limited to an Oregon Driver License, birth certificate, U.S. military card or draft record, etc.

- 5. The system on which the opt-out request is based must include a dispute resolution process to ensure that subscribers are not wrongfully denied benefits, including those cases where a subscriber fails the automated identity check or where the subscriber's address is incapable of being recognized by the U.S. Postal System.**

Any and all communication related to an applicant's or customer's eligibility status for Lifeline benefits is documented in BizApps, generated on OPUC letterhead and mailed to the subscriber's address via the USPS regardless of whether it is recognized by the USPS. All OPUC envelopes are preprinted with "Address Service Requested". If a letter is rendered undeliverable, the OPUC staff updates the customer's record with the forwarding address, if available, and attempts to resend the letter to the customer. All OPUC-generated letters instruct the subscriber to contact the OPUC with questions or concerns. If a customer receives a denial letter notifying them of their ineligible status, the form specifies why and directs them to contact the OPUC with their concerns or questions. The OPUC provides an opportunity to all subscribers to challenge these notices at which time the OPUC relies on BIZAPPS and the DHS database to address and resolve discrepancies. However, these incidents are infrequent because of the OPUC staff's ability to corroborate the validity of the data provided by applicants and customers through real-time

access to their files in the DHS database. Customers also have the option of switching to another ETC after the OPUC staff enforces the one-per-household rule and notifies them that they cannot receive Lifeline from multiple ETCs.

Customers who are notified of the impending termination of their Lifeline benefits as a result of the OPUC's ongoing eligibility verification check may initiate a formal dispute resolution process by filing a written request to the OPUC for a hearing to appeal the notice. Pursuant to Oregon Administrative Rule 860-033-0035(4)(b), customers must provide to the OPUC proof of program participation. However, customer appeals are rare because of the OPUC's staff's ability to substantiate the customer's identity and reinstate eligibility for Lifeline benefits through real-time access to their files in the DHS database.

- 6. The system on which the opt-out request is based must be able to receive and process information including the name, address and phone number of each Lifeline subscriber.**

BIZAPPS is capable of receiving and processing information including the name, address and phone number of each Lifeline subscriber in addition to the information described above.

- 7. The system on which the opt-out request is based must capture the address and date of service initiation to which Tribal Link Up support is applied if Link Up support is offered in the state.**

Although Tribal Link Up is offered by some ETCs in Oregon, BIZAPPS does not capture the address and date of service initiation to which Tribal Link Up is applied at this time. However, in accordance with Paragraph 195 of the *Lifeline Reform Order*, the OPUC staff will initiate an Oregon Administrative Rulemaking to require ETCs that offer Tribal Link Up support to report this data element on a monthly basis to the OPUC effective April 1, 2013, which corresponds to the *Waiver Order*, DA 12-863, deadline for adopting federal uniform eligibility criteria for Lifeline.

- 8. The system on which the opt-out request is based must have a process to manage “exceptions” to the definition of “duplicative support” rules and to deal with situations, such as non-standardized addresses, that may not be able to be resolved through mechanized means.**

See above responses, particularly #2.

- 9. The system on which the opt-out request is based must retain all data related to consumers who have received Lifeline and Link Up for ten years after the consumer receives Link Up or de-enrolls from Lifeline.**

The OPUC generally retains data for as long as the consumer is receiving Lifeline to ensure that disbursements from both the federal universal service fund and the Residential Service Protection Fund that finances the state Lifeline support amount are documented, justifiable and in compliance with rules established by the FCC and the OPUC.

However, the OPUC is prepared to comply with the FCC requirements to retain all data related to consumers who have received Lifeline and Link Up for ten years after the consumer receives Link Up or de-enrolls from Lifeline.

10. The system on which the opt-out request is based must have the capability of receiving updates from ETCs both in real-time and in periodic batches.

The Oregon system is designed to receive updates from ETCs in periodic batches. Updates from the ETCs generally address customer account information, e.g., address, phone number, disconnection, etc. The ETCs do not directly update data in the database; the OPUC staff is charged with making changes. Real-time updates are generally performed by the OPUC staff as it is the OPUC staff that determines individual customer eligibility, updates the customer database information to reflect eligibility and assignment to an ETC, and then informs the ETC of each specific customer's eligibility to receive Lifeline benefits from that ETC.

The footnote to this requirement in the *Public Notice* refers to discussions in paragraph 198 of the *Lifeline Reform Order*. The concern expressed in that paragraph is the need to eliminate duplicative support when ETCs dip directly into a database. The Oregon system prohibits duplicative support because the OPUC staff, not the ETCs themselves, access the database to determine whether an applicant is already receiving support. If an applicant is already receiving support, the OPUC notifies the applicant directly that their application is rejected and why, thereby avoiding the possibility of duplicate support from multiple ETCs.

11. The system on which the opt-out request is based must include safeguards to ensure that the data in the system is only used to check for duplicative support and related functions and for no other purpose, including marketing or subscriber retention. In addition, the state should demonstrate that the system includes sufficient safeguards to protect proprietary and personal information in the system from theft or loss.

The abuses that may occur when ETCs have direct access to information on all Lifeline customers in the state cannot occur in Oregon because ETCs do not have direct access to the data base for query purposes. The ETCs cannot “troll” through the database to identify potential customers to lure from another ETC nor can an ETC access information of other ETCs’ customers for marketing purposes.

The OPUC has sufficient safeguards in place to protect proprietary and personal information in BIZAPPS from theft or loss. The OPUC operates a robust firewall with restricted user access to prevent unauthorized users from accessing the database. Daily backup tapes are encrypted and stored offsite in a secure remote location.

All existing and new employees of the OPUC receive training in their responsibility to protect and safeguard the consumer's personal identifying information. The training educates all employees on the procedures for securing personal identifying information regardless of format and for reporting a discovery of any security breaches in which a consumer's personal identifying information is inadvertently released or stolen. Upon completion of new employee orientation, the Human Resources Division and the Oregon Lifeline Program Manager provide authentication to the Information Systems Division to assign specific access rights or levels to BIZAPPS for the new employee.

The OPUC also has an Information Exchange Agreement with the Social Security Administration ("SSA") for determining entitlement to and eligibility for benefits under the state and federally funded Lifeline programs. The SSA discloses specific data about applicants from SSA Privacy Act Systems of Records and verifies the social security numbers of the applicants. Under the auspices of the Information Exchange Agreement between the OPUC and the SSA, on September 14, 2011, the SSA conducted an onsite compliance review of the technical, procedural

and administrative controls implemented by the OPUC for system security. The SSA had no concerns or findings in any categories for overall system security. The SSA commended the OPUC for its well managed security safeguards and commitment to protecting proprietary and personal information.

12.The system on which the opt out request is based must permit the FCC and the USAC to access records necessary for oversight and for audits.

Upon request, the OPUC will permit the FCC and the USAC to access records necessary for oversight and for audits.

Respectfully submitted,

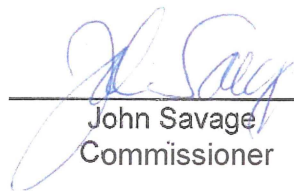
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